



Department of Medical Assistance Services
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MEDICAID MEMO

TO: All Providers Billing on the CMS-1500 (08-05) Form

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services

DATE: 10/17/2006

SUBJECT: General Billing Instructions for the New CMS-1500 (08-05) Form – Effective
October 1, 2006

The purpose of this memorandum is to provide you with the Department of Medical Assistance Services (DMAS) general billing instructions for the new CMS-1500 (08-05). The new CMS-1500 (08-05) was implemented for use on October 1, 2006. This new form allows the accommodation of the National Provider Identifier (NPI) as well as current provider identifiers for the transition period of October 1, 2006 through March 31, 2007. This new form will replace the current CMS-1500 (12-90) form for claims submitted on or after April 1, 2007.

The instructions within this memo are for all providers enrolled in Virginia Medicaid. Some providers will have more detailed and specific requirements for their unique business needs that will be addressed in an upcoming provider manual billing chapter update. A separate memo to those providers affected will be released within the next 30 days.

DMAS has followed the National Uniform Claims Committee (NUCC) requirements for the new form with a few exceptions which will be addressed later in this memo. The NUCC has established standards in the formatting of this form to facilitate the use of image processing technology such as Optical Character Recognition (OCR) and image storage. For specific printing standards information, refer to the NUCC Reference Instruction Manual for 08/05 Version, Appendix A that is available from the NUCC web site at www.nucc.org.

Billing Specifics for All Providers:

Printing:

- The CMS-1500 (08-05) form is to be red OCR “dropout” ink or the exact match. There should be no contamination with “black or blue” ink.

- Font must not be smaller than 10-pitch Pica type, 6 lines per inch vertical and 10 characters per inch horizontal.
- All printing of this form must occur in accordance with the NUCC requirements.
- DMAS will not reprocess claims that are denied as a result of errors consequential to the claim form not complying with these NUCC standards.

Timeline:

DMAS will accept the new form effective October 1, 2006 with these specific requirements based on the implementation of NPI and the ability of DMAS to accept group practice billing providers. Any NPI numbers submitted will not be collected.

- October 1, 2006 through late-February 2007 ONLY the current 9 digit Medicaid provider numbers can be used. The qualifier '1D' must be used in the (shaded red area) for locators 17a, 24I, 32b and 33b whenever these locators are used. There should be no commas, periods, other punctuations or spaces between the '1D' and the current Medicaid provider number. During this timeframe, the rendering service provider (24J) should also be the billing provider since DMAS will not be accepting group practice billing or NPIs until the dual use period.
- Late-February, 2007 through March 31, 2007 will be the dual use period for the submission of the NPI, the Atypical Provider Number (API) or the current Medicaid number. Whenever an API or current Medicaid provider number is used during this timeframe, the qualifier '1D' must be used. During this period the use of group practice billing provider numbers for DMAS will also be implemented. DMAS will process claims utilizing the NPI if it is submitted on the claim so the provider must have furnished their NPI to our Provider Enrollment Unit through the enrollment or re-enrollment process. DMAS will ensure that the NPI rendering service provider (locator 24J) number indicated on the claim is associated to the group practices NPI billing provider (locator 33a) number listed and on our provider enrollment files.
- April 1, 2007 begins the acceptance of the new CMS-1500 (08-05) only.
- May 23, 2007 begins the acceptance of only an NPI or API.

General Billing Requirements Specific to the CMS-1500 (08-05):

- Locator 11d: Third Party Liability Coverage is to be indicated by checking 'Yes' if applicable. DMAS will be capturing this information to ensure that third party liability information is applied should our recipients' file indicate there is other coverage.

NOTE: The locators 24A thru 24J, lines 1-6 have been divided into open areas and a shaded red line area. The shaded red area is ONLY for supplemental information. The following is the specific supplemental information for DMAS.

- Locator 24A, lines 1-6, shaded red: The qualifier 'TPL' will be used followed by the dollars and cents amount for payment by third party carriers. Example: Payment by other carrier is \$27.08. Shaded area would be filled as TPL27.08. Do not include spaces between the qualifier and dollar amount or a \$ symbol. The decimal between dollars and cents is required. The qualifier 'N4' is to be used for the National Drug Code (NDC) whenever a HCPCS J-code is submitted in 24D. Example: N400026064871. Do not include space(s) between the qualifier and the NDC number. **NOTE:** This line is to be left justified and no space(s) between the different qualifiers if more than one is used. DMAS will currently only capture the 'TPL' and 'N4' qualifiers from this area.
- Locator 24C: This locator is now indicated by the insertion of 'Y' to indicate the procedure was an emergency. **DMAS will be accepting only a 'Y'** in this locator. Leave blank if procedure is not an emergency.
- Locator 24H: **DMAS will continue to use the qualifier '1'** for Early and Periodic Screening, Diagnosis, and Treatment Program Services and the **qualifier '2' for Family Planning Services.**
- Locator 24I, lines 1-6, shaded red: The qualifier '1D' is to be used for claims being submitted using the current Medicaid provider number, or when the API is submitted. The qualifier 'ZZ' indicating the taxonomy code for the NPI submitted in locator 24I, open line, cannot be used when the claim is submitted with a current Medicaid number or whenever an API is submitted. Taxonomy codes will only be used with the NPI/API and only if it is needed to adjudicate the claim.
- Locator 24I, lines 1-6, open area: The NPI for the rendering service provider is to be entered. DMAS will begin using the NPI for claims adjudication beginning with claims received on or after Late-February, 2007.
- Locator 24J, lines 1-6, shaded area: This locator would contain the current Medicaid provider number or the API as related to the timeframe for their appropriate use.
- Locator 24J, lines 1-6, open area: This locator will only be used by DMAS effective with claims received on or after Late-February, 2007 since this is the locator for the NPI.
- Locator 32: This is to indicate the service facility location by indicating their facility name as a first line, the address as the second line, and the city, state and 9 digit zip-code as the third line for the location where the services were rendered. **NOTE:** For physicians with multiple office locations, the specific 9 digit zip-code must reflect the office location where services were given. Do NOT use commas, periods, or other punctuations in the address. Enter space between city and state. Include the hyphen for the 9 digit zip-code.
- Locator 33: This locator indicates the billing provider information and telephone number by indicating the billing name as the first line; address as the second line, city, state and the 9 digit zip-code as the third line. The provider that is requesting to be paid is to be entered in this locator. DMAS will not be accepting group practice billing provider numbers until Late-

February, 2007. Therefore from October 1, 2006 through February 18, 2007, the servicing/rendering provider from locator 24J should also be indicated in this location. Do NOT use commas, periods, or other punctuations in the address. Enter space between city and state. Include the hyphen for the 9 digit zip-code. The phone number is to be entered in the area to the right of the field title. Do not use a hyphen or space as a separator within the telephone number.

- Locator 33a: This locator indicates the NPI for the billing (group or individual) provider. DMAS will not be using this information until Late-February, 2007.
- Locator 33b: This locator indicates the other identification number. DMAS is requiring that the qualifier '1D' followed by the current Medicaid number be submitted from October 1, 2006 thru February 18, 2007. Starting Late-February, 2007, providers can continue with this qualifier if they are billing using the current Medicaid number or with an API. Failure to use the '1D' when the current Medicaid number or an API is used, will result in claims being denied. Starting Late-February, 2007, providers that are submitting an NPI in locator 33a can use the qualifier 'ZZ' followed by the provider taxonomy code to identify the specific provider taxonomy that will assist with adjudicating the claim. **NOTE:** Do NOT use commas, periods, spaces, hyphens or other punctuations between the qualifier and the number.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

“HELPLINE”

The “HELPLINE” is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The “HELPLINE” numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the “HELPLINE” is for provider use only. Please have your Medicaid Provider Identification Number available when you call.

COPIES OF MANUALS

DMAS publishes electronic and printable copies of its Provider Manuals and Medicaid Memoranda on the DMAS website at www.dmas.virginia.gov. Refer to the “DMAS Content

Menu” column on the left-hand side of the DMAS web page for the “Provider Services” link, which takes you to the “Manuals, Memos and Communications” link. This link opens up a page that contains all of the various communications to providers, including Provider Manuals and Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet or would like a paper copy of a manual, you can order it by contacting Commonwealth-Martin at 1-804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates that are requested.

PROVIDER E-NEWSLETTER SIGN-UP

DMAS is pleased to inform providers about the creation of a new Provider E-Newsletter. The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. Covered topics will include changes in claims processing, common problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the electronic newsletter, please sign up at www.dmas.virginia.gov/pr-provider_newletter.asp.

Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memos, Medicaid Provider Manuals, or any other official correspondence from DMAS.